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SIPDIS

DEPT FOR EB/IPE - PACETO AND EUR/AGS
DEPT PLS PASS USTR FOR VESPINEL
COMMERCE FOR SJACOBS
JUSTICE FOR MSTANSELL-GAMM
DHS/CBP FOR MARICISH
DEPT PLS PASS USPTO FOR WU

E.O. 12958: N/A

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SUBJECT: VISIT OF STOP! DELEGATION TO PARIS JUNE 10

1. Summary: The visit of the interagency STOP delegation to Paris June 9-10 helped raise the profile of IPR issues with the French government and by extension with local industry. While we found fundamental interest in cooperation on the STOP initiatives, few concrete commitments were made during this initial exchange. Nevertheless, GOF officials pointed to common interests as demonstrated by work on the proposed G-8 paper on intellectual property. Both sides agreed that joint efforts and increased transparency could potentially be keys to effectively combating IPR violations. A general acceptance of the need for a multifaceted approach to IP issues was also noted. Both sides agreed to compare public awareness efforts and further discuss best practices. End Summary.

ACTION ITEMS FROM VISIT

2. The following were the action items from the STOP delegation's discussions.

-- Customs risk targeting. French customs is interested; it already uses some simpler, more general methods.

-- Exchange of information on customs audits.

-- IPR hotline. French side interested in establishment of a hotline; they are on the verge of creating a similar service and questioned US delegation on the specifics of the US hotline operation.

-- Common website of enforcement success stories. French expressed interest in sharing information.

-- Coordination on training efforts. No substantive response from French side beyond informal field coordination of IP attaches.

-- Education and assistance for SMEs in intellectual property and counterfeit issues is essential.

-- Industry guidelines to keep fakes out of supply chains. French side expressed interest.

-- Best practices in enforcement. USTR asked the DGTPE for detailed reactions and suggestions for changes or additions. DGTPE agreed to provide this.

STOP DELEGATION MEETS WITH FRENCH GOVERNMENT

3. The STOP team led by acting A/USTR Victoria Espinel, met June 10 with a French interagency group led by Vincent Guitton, of the General Direction of the Treasury and Political Economy (DGTPE). These included Wilfrid Roge, of the Finance Ministry's Customs Service; Jean-Baptiste Mozziconacci, French National Institute for Industrial Property, bilateral affairs and international cooperation chair; Marion Guth, secretary-general of the CNAC (National Antipiracy Council); Police Commissioner Philippe Menard of the Judiciary Police, Ministry of the Interior; Anne Fauconnier, Consumer Fraud Enforcement at the Ministry of Economy; Marie-Jose Semence, of the DGTPE; Eric Poulain, WTO office DGTPE, recently named trade attach at the French Embassy in Washington D.C.

4. The US STOP team included:

- Shaun Donnelly, EB Principal Deputy Assistant Secretary of State, Department of State;
- Stephen Jacobs, Deputy Assistant Secretary of Commerce for Trade Agreements and Compliance, International Trade Administration, Department of Commerce;
- Martha Stamsell-Gamm, Chief, Computer Crime and Intellectual Property Section, Department of Justice;
- Anne Maricich, Director, Trade Management Division, U.S. Customs and Border Protection, Department of Homeland Security;
- Elaine Tung-Lin Wu, Attorney-Advisor, Office of International Relations, U.S. Patent and Trademark.

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They were accompanied by Emboffs including Legal Attache and Customs Attache.

COOPERATION ON G-8 PAPER

15. Guitton laid out the importance of IPR for France and French business, citing the 30,000 jobs that had been lost because of this problem. Guitton pointed to the almost 42 Intellectual Property attaches covering 75 countries overseas that France has co-located with French Embassies and French state-sponsored chambers of commerce and industry. The IP attaches provide information to the GOF and industry, promote IP rights in country, guide the GOF's aid program in country, and put on seminars and encourage dialogue. Some of them, he noted, are already working informally with their USG counterparts, for example in China. French efforts are also devoted to intra-European IP problems, for examples in Italy, Spain and Poland. Guitton pointed positively to U.S.-French cooperation on the proposed G-8 paper on intellectual property.

CUSTOMS

16. Wilfrid Roge noted that French Customs already use some indicators similar to those described by DHS/CBP to target seizure of counterfeit goods. When faced with possible violations, the French system looks at value, destination and typical good exported by the enterprise. The French system also uses visual clues such as color to quickly indicate the origin of a shipment. He added that the French customs look at more than the twenty factors described by the CBP risk model. Both countries agreed that post-entry audit techniques are an important complement to traditional examinations in stopping trade in counterfeit goods.

17. One issue of concern for the French is the increasing number of counterfeit goods that are purchased via the Internet. This has complicated enforcement because there are greater numbers of smaller shipments to be examined by customs. Smaller shipment sizes means the gross number of seizures of counterfeits by customs increased in the past year, even though the total volume of counterfeit good seized is roughly stable.

18. French legal practice emphasizes civil over criminal remedies for trademark infringements. The STOP team countered that U.S. does not advocate a shift from civil to criminal actions, but we also see a growth of large transnational criminal organizations being involved in counterfeit goods trade. This is something that private rights holders cannot deal with only through civil actions. Moreover, criminal sanctions serve as a strong deterrent to IP violations. Overall the US would like to have a stronger ability to pursue perpetrators of IPR crimes.

19. DOJ stressed the importance of speed in working across borders to combat digital piracy and computer crime through operations like Operation Fastlink. The US also stressed that the DOJ would also assist French authorities in stopping IPR crimes that occur on US soil or involve US citizens. The French side expressed a particular interest in cooperation in fighting cyber crime and digital piracy.

110. The French government's interagency anti-piracy effort is loosely organized around the National Antipiracy Council (CNAC or Conseil National Anti-Contrefaçon). It is headed by an elected member of the National Assembly. It's taskings are provided by the CNAC's "action plans". The Most recent action plan (2003-2004) is dubbed the Sarkozy plan, issued while Nicolas Sarkozy was Economy Minister. Guth cited the three elements of the plan: awareness, sanctions and cooperation. The CNAC is directly involved in a series of public awareness campaigns. The budget for the next campaign is five million Euros. The CNAC is also coordinating efforts to set up a hotline that responds to consumers and business. Guth noted she would appreciate knowing more about the USG experience.

POLICE: SPECIAL BRIGADE

111. Police Commissioner Menard explained the operations of a special French IPR brigade that combats IPR violations both domestically and abroad. The focus of this brigade is on preventing trade in counterfeit items, corresponding to the US "No trade in fakes" effort. This brigade also provides training to officers abroad, including a recent session with Vietnamese officers. The French delegation highlighted the necessity of interagency domestic cooperation.

112. State's Donnelly and Commerce's Jacobs noted our interest in possibly mobilizing embassies to cooperate in

addressing IPR problems in key countries. The US delegation expressed a desire to increase the number of personnel abroad (DOS and DOC) who are trained in IPR issues. They also encouraged U.S. and French embassy personnel to further cooperate in the field. Jacobs mentioned the "tool kit" for business, which interested the French.

EDUCATING THE PUBLIC AND COMPANIES

13. Both French and US delegates agreed that SMEs and youth were two crucial target groups for IPR information. SMEs in particular are in need of IPR guidance. Both countries have training seminars and information available for SMEs. The French customs representative, M. Boucard, questioned his United States counterpart on general costs of obtaining and protecting a patent. He cited the low costs of such action in France as a way to help SMEs combat IPR violations.

FRENCH CUSTOMS "IMAGE" SEARCH ENGINE

14. The STOP delegation also met with representatives of the French National Institute for Industrial Property, headed by bilateral affairs and international cooperation chair Jean-Baptiste Mozziconacci to view a demonstration of France's image search engine. The system, being tested in a number of European countries, relies on information provided by industries and the patent and trademark database. USG officials expressed some concern about the danger of working with proprietary information in the database.

15. This cable has been cleared by the delegation.
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